

Comments and Responses on ARC 6901B
Increase in Medicaid Reimbursement
Received July 23, 2008

The following persons and organizations provided written comments, which are included in the summary below:

Marilyn Althoff, executive director, Hills & Dales, Dubuque
Tosha Kolder, patient accounts, Covenant Clinics,
Melissa Peterson executive director, Pathway Living Center, Clinton
Rhonda Massey, accounts receivable, Hope Haven
Joan Mattson, DHS service worker, Waterloo

Scope

COMMENT: The language does not include the Day Habilitation under the HCBS waivers. All other programs are identified under the waiver section. It is only listed under Home Community Based Habilitation. Is this an oversight as they are different as you well know. (Althoff)

RESPONSE: Day habilitation was overlooked in the preamble in the list of home- and community-based waiver services that were getting increases. In the rule itself, day habilitation is item number 26 on the list of HCBS waiver services. The rates are increasing from \$13.08 to \$13.21 per hour, from \$31.83 to \$32.15 per half day, and from \$63.65 to \$64.29 per full day.

These are the same as the increases for day habilitation services under the home- and community-based waivers. (There was an error in the half-day rate for day habilitation under HCBS habilitation services, which we will correct on final adoption.) We apologize for the confusion.

Implementation

COMMENT: ...will [we] have another mass adjustment for the increase? Will the increase be going back to January 2008 or will it just be from Oct 2008 forward? (Kolder)

RESPONSE: There will be no need for a mass adjustment.

COMMENT: We are in the process of rate increases and we do not understand why waiver is done one way to increase versus another way for habilitation. Could you please send me the guidelines of the steps that we will have to take to get the rates changed in both situations (Massey)

RESPONSE: This question has been referred to the ISIS system for individual attention

Adequacy of Reimbursement

COMMENT: While I appreciate the effort to increase the home and community based habilitation services and remedial services rates by 1 % I would like for the legislature (Bureau) to consider a larger increase. Cost based reimbursement rather than capped rates would also allow us to serve more persons in the community. We are turning down some referrals because we can't manage the needs of the individual for the rate we are being compensated at. In addition, the undue pressure for agencies to absorb the expense of rising gas as well as a variety of other fixed expenses to do business is more than challenging.

In addition, it is increasingly difficult to adequately compensate trained personnel to provide the services when the rate increases barely cover the fixed overhead expenses, let alone what we would like to do for our staff. Our State is losing many skilled workers to different states and to other industry. Many of our staff struggle with the costs to survive and while they are dedicated, loyal and love working with the consumers, they are being placed in positions to have to find other work to support themselves. The stress of these situations are challenging even long time employees with 20 plus years of experience and causing them to consider leaving the field. Sadly, our agency has lost two such persons in the past year to positions that pay over \$18,000 more per year plus offer bonuses and additional benefits. All of these concerns not only have short-term impact but long term implications on the mental health of the citizens of Iowa (consumers) and of our skilled mental health workforce.

Any and all efforts are appreciated and are urgently needed. Since the State is dealing with limited funds to meet the needs is there a way that the State can be more efficiently providing oversight of these programs? By efficiently overseeing these programs at capped rates, perhaps the State would be able to free up additional funds to support the direct care providers. Focusing our limited dollars on the direct services our citizens deserve rather than administrative services that the consumers do not necessarily want or need would improve quality of services.
(Peterson)

COMMENT: Since the CDAC providers under waivers were allowed a 3% increase in July '2007, and now another 3%, the 1% proposed increase in the monthly waiver caps is insufficient. Many of my most medically needy clients are at the maximum of services currently. (Mattson)

RESPONSE: Increases to all Medicaid home- and community-based services waivers must be allocated through the Iowa Legislature. The Legislature has continued to provide increased funding for both rates and an increased number of people served under each program. This year, the monthly caps were also increased by 3%.

The methodology for setting rates continues to be reviewed. Providing a cost-based system for all HCBS services would require research to determine the financial impact. The Legislature would have to appropriate funds to cover any additional costs.

It is unclear what is meant by "more efficiently providing oversight of these programs."